

## TERMS AND CONDITIONS OF PURCHASE ORDER

1. Seller shall indicate acceptance of a Victory Energy Purchase Order by executing a Victory Energy Purchase Order Acknowledgement copy and returning it to Victory Energy within 10 days of the Purchase Order Date noted on the front of the Purchase Order. Shipment of goods or commencement of work pursuant to this Purchase Order shall constitute acceptance of this Purchase Order and satisfy this requirement.
2. This Purchase Order, including these Terms and Conditions, will constitute the sole and entire agreement between the parties. Unless expressly accepted by Victory Energy in writing, no other terms and conditions in conflict or in addition to those stated herein, shall be binding on Victory Energy. In the event Victory Energy has provided written acceptance of terms and conditions in addition to those stated herein and such additional terms and conditions conflict with the Victory Energy Terms and Conditions as stated herein, the Victory Energy Terms and Conditions as stated herein shall prevail.
3. Unless otherwise specified, the price shown on the Purchase Order for goods includes all charges for packaging, boxing, crating and cartage. Shipment shall be cheapest transportation unless otherwise specified.
4. Victory Energy shall have the right to cancel or suspend, by written notice, in whole or in part, the purchase order. Except in the case of termination for breach, allowance will be made for normal and reasonable expenses incurred by Seller prior to receipt of notice of cancellation, but Victory Energy will not be liable for any charges or expenses incurred by Seller in advance of the normal or reasonable lead time necessary to meet scheduled delivery dates nor for any expenses, charges or liability incurred subsequent to the giving of notice of cancellation. For the purpose of this provision, Seller shall conclusively be deemed to have breached this contract in the event Seller becomes insolvent or commits an act of bankruptcy.
5. Seller shall, at its own expense, hold harmless, protect and defend Victory Energy against any claim, suit or proceeding brought against Victory Energy which is based on a claim, whether rightful or otherwise, that the goods or any part thereof, furnished under the Purchase Order, constitute(s) an infringement of any patent, and Seller shall pay all damages, costs, and expenses arising from such claim.
6. **SELLER OR CONTRACTOR SHALL COMPLETELY INDEMNIFY, DEFEND, AND HOLD VICTORY ENERGY, ITS OFFICERS, AGENTS AND REPRESENTATIVES HARMLESS FROM AND AGAINST ALL CLAIMS FOR PERSONAL INJURY, PROPERTY DAMAGE, WRONGFUL DEATH OR OTHER DAMAGES, LOSSES, AND EXPENSES, INCLUDING ATTORNEYS' FEES ("CLAIMS"), ARISING OUT OF, OR RESULTING FROM, PERFORMANCE OF WORK OR SERVICES ON BEHALF OF VICTORY ENERGY, WHETHER COMMENCED PURSUANT TO PURCHASE ORDER, WRITTEN CONTRACT AND/ OR ORAL AUTHORIZATION TO BE CONFIRMED LATER IN WRITING. IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT THIS OBLIGATION TO COMPLETELY INDEMNIFY, DEFEND, AND HOLD HARMLESS SHALL APPLY AND BE ENFORCEABLE FOR ALL CLAIMS (I) WITHOUT REGARD TO WHETHER OR NOT VICTORY ENERGY IS CLAIMED TO BE NEGLIGENT OR OTHERWISE LIABLE FOR ANY SUCH DAMAGES, LOSSES AND EXPENSES; AND (II) MADE BY AN EMPLOYEE OF SELLER OR CONTRACTOR AGAINST VICTORY ENERGY, TO THE SAME EXTENT AS IF THE CLAIM WAS MADE BY A NON-EMPLOYEE OF THE SELLER OR CONTRACTOR WITHOUT REGARD TO ANY LIMITATION ON SELLER'S OR CONTRACTOR'S LIABILITY FOR INJURIES TO ITS EMPLOYEES, WHETHER ESTABLISHED BY JUDICIAL DECISION, STATUTE, OR OTHERWISE. THIS PROVISION SHALL ALSO BE ENFORCEABLE IN ADDITION TO AND BEYOND ANY INSURANCE COVERAGES REQUIRED FOR THE PROTECTION OF VICTORY ENERGY AS PERMITTED BY LAW.**
7. For any services rendered under this Purchase Order, Seller or Contractor shall maintain insurance coverage which shall protect it and Victory Energy from liability or claims for liability for bodily injury, including death and property damage, which may in any way arise out of or be in any manner connected with the performance of this purchase order in minimum limits as follows: (a) Workers' Compensation and Employers' liability as required by law; (b) Comprehensive General Liability, naming Victory Energy as an additional primary insured on primary coverage (including contractual, premises and operations, and completed operations and products liability) of \$ 1,000,000 per occurrence/ \$ 2,000,000 aggregate; (c) Automobile Public Liability (including all owned, hired and non-owned automotive equipment) of \$1,000,000 combined single limit. A certificate of insurance shall be submitted to Victory Energy, to the attention of the Purchasing and Contracts, evidencing such coverage prior to commencing performance of this Purchase Order.
8. The terms and conditions provided and the rights of all parties under the Purchase Order shall be construed under and governed by the laws of the state of Illinois.
9. The Seller or Contractor warrants that all goods, work and services furnished under the Purchase Order shall be produced and furnished in compliance with all applicable federal, state and local laws, orders and regulation. Victory Energy shall have the benefits of all warranties, implied at law, and all expressed warranties made by Seller or Contractor. Seller or Contractor shall exercise skill and care as required by customarily accepted trade, business or professional practices and procedures in performing services specified under the Purchase Order. Unless otherwise specified herein, the seller or Contractor shall obtain all permits necessary for performance under the Purchase Order.
10. The Seller or Contractor represents and warrants that all goods, work and services furnished under the Purchase Order shall be produced in compliance with and Seller or Contractor shall abide by the provisions of the following which are incorporated herein by reference to the extent that such provisions are applicable to the Purchase Order: Employee Non Discriminatory and Equal Opportunity requirements contained in Executive Orders No. 11246, No. 11758, and any subsequent related orders; certification of non segregated facilities, as required by order of the U.S. Secretary of Labor cited at 32 Federal Register 7437 and any subsequent related orders; Employer Information Report (EEO-1, Standard Form 100) under section 60-147 of title 41 of the code of Federal Regulations and any subsequent related regulations; Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era as mentioned in 38 United States Code section 1787 and the Vietnam Era Veterans re-adjustment act and subsequent related law; Laws relating to Utilization of Minority business enterprises and Minority Business Enterprises Subcontractor Program as provided in section 800 of title 10 of the Code of Federal Regulations and any subsequent related regulations and orders; and laws relating to Employment of the Handicapped under section 503 of the Rehabilitation Act of 1973 and subsequent related law.
11. Title to, and full and unrestricted ownership of and right to use, all technical information provided to Victory Energy under this Purchase Order shall be transferred to Victory Energy.
12. Seller or Contractor further represents and warrants that all goods, work and services covered by the Purchase Order meet or exceed the safety standards and promulgated under the Federal Occupational Safety and Health Law (Public Law 91-956, as amended) and its regulations in effect as of the Purchase Order date which are incorporated herein by reference.
13. All goods and services shall be subject to Victory Energy's inspection and acceptance or rejections within a reasonable time after receipt at Victory Energy. The making or failure to make any inspection of, payment for, or acceptance of the goods or services shall in no way impair Victory Energy's right to reject or revoke its acceptance of non conforming goods, or to avail itself of any other remedies to which Victory Energy maybe entitled, notwithstanding knowledge of the non-conformity, its substantially or ease of discovery.
14. It is agreed and understood that during the performance of this Purchase Order, Seller shall be considered and independent contractor and not an agent of Victory Energy.